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CITY OF VILLE PLATTE  
VILLE PLATTE, LOUISIANA  
FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-31-07

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**JOHN S. DOWLING & COMPANY**  
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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1936-2005

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**INDEPENDENT AUDITOR'S REPORT**

To the Mayor and Board Members of the  
City of Ville Platte  
Ville Platte, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ville Platte, Louisiana, as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Ville Platte, Louisiana's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements referred to above include only the primary government of the City of Ville Platte, Louisiana, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the City's legal entity. The financial statements do not include data for the City's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the City's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the City of Ville Platte, Louisiana as of June 30, 2006, and the changes in its financial position and its cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ville Platte, Louisiana, as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

To the Mayor and Board Members of the  
City of Ville Platte  
Ville Platte, Louisiana  
Page 2

In accordance with Government Auditing Standards, we have also issued our report dated December 14, 2006 on our consideration of the City of Ville Platte's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The other required supplementary information on pages 42 through 46 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The City of Ville Platte has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement although not required to be part of the financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ville Platte's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and other schedules on pages 70 through 82 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the United States Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organizations," and is also not a required part of the financial statements of the City of Ville Platte, Louisiana. The combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The accompanying Schedule of Changes in Assets Restricted for Debt Service and the Schedule of Insurance in Force has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*John S. Dowling & Company*

Opelousas, Louisiana  
December 14, 2006

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

# CITY OF VILLE PLATTE, LOUISIANA

## Statement of Net Assets June 30, 2006

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and interest-bearing deposits	\$4,384,228	\$ 709,756	\$ 5,093,984
Receivables, net	141,159	519,110	660,269
Due from other governmental units	72,125		72,125
Inventory-materials and supplies, at cost		26,250	26,250
Prepaid items	23,035	21,263	44,298
Total current assets	<u>4,620,547</u>	<u>1,276,379</u>	<u>5,896,926</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits		1,266,286	1,266,286
Capital assets, net	10,616,286	13,041,764	23,658,050
Unamortized bond issuance costs		45,936	45,936
Total noncurrent assets	<u>10,616,286</u>	<u>14,353,986</u>	<u>24,970,272</u>
Total assets	<u>15,236,833</u>	<u>15,630,365</u>	<u>30,867,198</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts and other payables	192,620	130,450	323,070
Internal balances	236,667	(236,667)	
Short-term debt payable	615,000	415,000	1,030,000
Accrued interest	85,077	22,213	107,290
Customer deposits payable		450,736	450,736
Total current liabilities	<u>1,129,364</u>	<u>781,732</u>	<u>1,911,096</u>
Noncurrent liabilities:			
Compensated absences payable	84,664	26,978	111,642
Long-term debt payable	4,935,000	2,770,000	7,705,000
Total noncurrent liabilities	<u>5,019,664</u>	<u>2,796,978</u>	<u>7,816,642</u>
Total liabilities	<u>6,149,028</u>	<u>3,578,710</u>	<u>9,727,738</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	5,041,050	10,271,764	15,312,814
Restricted for debt service	1,168,130	378,337	1,546,467
Unrestricted	2,878,625	1,401,554	4,280,179
Total net assets	<u>9,087,805</u>	<u>12,051,655</u>	<u>21,139,460</u>

The accompanying notes are an integral part of this statement.



CITY OF VILLE PLATTE, LOUISIANA

Statement of Activities

For the Year Ended June 30, 2006

Activities	Program Revenues			Net (Expense) Revenues and Changes in Net Assets		
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>						
General government	\$1,022,541	\$ 373,023	\$ 46,400	\$ (603,118)		\$ (603,118)
Public safety:						
Police	1,092,754	70,827	51,980	(914,044)		(914,044)
Fire	615,296		197,382	(417,914)		(417,914)
Streets	813,584		13,769	(799,815)		(799,815)
Culture and recreation	295,155		43,706	(227,301)		(227,301)
Urban housing and redevelopment	400,187		391,214	(8,973)		(8,973)
Interest on long-term debt	271,303			(271,303)		(271,303)
Total governmental activities	4,510,820	443,850	744,451	(3,242,468)		(3,242,468)
<b>Business-type activities:</b>						
Gas	2,640,915	2,933,607		\$ 292,692		292,692
Water	929,408	1,045,100	15,091	130,783		130,783
Sewer	637,080	819,837		182,757		182,757
Total business-type activities	4,207,403	4,798,544	15,091	606,232		606,232
Total	8,718,223	5,242,394	744,451	(3,242,468)	606,232	(2,636,236)
<b>General revenues:</b>						
<b>Taxes -</b>						
Property taxes, levied for general purposes				732,090		732,090
Sales and use taxes, levied for general purposes				2,413,536		2,413,536
Payment in lieu of taxes				10,130		10,130
Franchise and chain store taxes				470,076		470,076
<b>Grants and contributions not restricted to specific programs -</b>						
State sources				23,383		23,383
Interest and investment earnings				68,380	9,532	77,912
Miscellaneous				277,324		277,324
Transfers				486,205	(486,205)	
				4,481,124	(476,673)	4,004,451
Total general revenues and transfers				1,238,656	129,559	1,368,215
Change in net assets				7,849,149	11,922,096	19,771,245
Net assets - July 1, 2005				9,087,805	12,051,655	21,139,460
Net assets - June 30, 2006						

The accompanying notes are an integral part of this statement.

**FUND FINANCIAL STATEMENTS (FFS)**

## **MAJOR FUND DESCRIPTIONS**

### **General Fund**

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

### **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

#### **1975 Sales Tax Fund -**

To account for the receipt and use of proceeds of the City's 1975 one percent sales and use tax. These taxes are dedicated to the following purposes: paying bonds; constructing, acquiring, improving and maintaining police and fire department stations and equipment; garbage and waste disposal facilities; streets, sidewalks, and drainage facilities; sewer and sewerage disposal works; park and pool facilities; and compensating firemen and policemen.

#### **1984 Sales Tax Fund -**

To account for the receipt and use of proceeds of the City's 1984 one percent sales and use tax. These taxes are dedicated to the following purposes: constructing, acquiring, extending, improving, operating and/or maintaining sewers and sewerage disposal works, and at least five percent of such tax annually for constructing, extending, improving and/or maintaining streets and sidewalks; constructing, improving and maintaining public buildings; including the purchase and acquisition of the necessary land, equipment and furnishings for the aforesaid; after making provision for annual debt service on bonds, which may be issued for the aforementioned purposes.

### **Debt Service Fund**

Debt service funds are used to accumulate resources to be used to make debt service principal and interest payments on general obligation long-term debt.

#### **P.I. Sales Tax Bonds Debt Service Fund**

To accumulate monies for payment of the \$3,500,000 Public Improvement Sales Tax Bonds, Series ST-2001 and the \$2,380,000 Public Improvement Sales Tax Refunding Bonds Series ST-2003. Debt service is financed by the collection of the 1984 one percent sales tax.

### **Capital Projects Fund**

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

#### **Municipal Building Construction Fund**

To account for the financing and construction of a City Hall Complex including a City Court and Police Department. Funds have been provided through the issuance of \$3,500,000 Public Improvement Sales Tax Bonds, Series ST-2001.

### **Enterprise Fund**

#### **Utility Fund -**

To account for the provision of gas, water, and sewerage services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

CITY OF VILLE PLATTE, LOUISIANA

Balance Sheet  
Governmental Funds  
June 30, 2006

ASSETS

	General Fund	1975 Sales Tax Special Revenue	1984 Sales Tax Special Revenue	P. I. Sales Tax Bonds Debt Service Fund	Municipal Building Construction Fund	Other Governmental Funds	Totals
Cash	\$ 241,480	\$ 249,601				\$ 41,067	\$ 532,148
Interest-bearing deposits	746,150	50,950	\$ 1,030,437	\$ 1,209,792	\$ 291,718	523,033	3,852,080
Receivables:							
Taxes	2,220						2,220
Accrued interest	225	759	2,089		593		3,666
Other	135,273						135,273
Due from other funds	234,000		170,000				404,000
Due from other governmental units	66,400					5,725	72,125
Prepaid items	21,263					1,772	23,035
Total assets	<u>1,447,011</u>	<u>301,310</u>	<u>1,202,526</u>	<u>1,209,792</u>	<u>292,311</u>	<u>571,597</u>	<u>5,024,547</u>

LIABILITIES AND FUND BALANCES

Liabilities:							
Accounts payable	\$ 70,736			\$ 3,252	\$ 3,810	\$ 77,798	
Contracts payable				40,361	13,700	54,061	
Accrued liabilities	50,912				670	51,582	
Compensated Absences	9,179					9,179	
Due to other funds	406,667		\$ 234,000			640,667	
Total liabilities	<u>537,494</u>	<u>-</u>	<u>234,000</u>	<u>-</u>	<u>18,180</u>	<u>833,287</u>	
Fund balances:							
Reserved for prepaid items	21,263				1,772	23,035	
Reserved for debt service				\$ 1,209,792	43,415	1,253,207	
Reserved for housing purposes					114,820	114,820	
Unreserved, designated for subsequent years' expenditures				248,698	379,833	628,531	
Unreserved, undesignated	888,254	\$ 301,310	968,526		13,577	2,171,667	
Total fund balances	<u>909,517</u>	<u>301,310</u>	<u>968,526</u>	<u>1,209,792</u>	<u>553,417</u>	<u>4,191,260</u>	
Total liabilities and fund balances	<u>1,447,011</u>	<u>301,310</u>	<u>1,202,526</u>	<u>1,209,792</u>	<u>571,597</u>	<u>5,024,547</u>	

The accompanying notes are an integral part of this statement.

CITY OF VILLE PLATTE, LOUISIANA

Reconciliation of the Governmental Funds' Balance Sheet  
to the Statement of Net Assets  
June 30, 2006

Total fund balances for governmental funds at June 30, 2006		\$ 4,191,260
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land and construction in progress	\$ 3,961,430	
Buildings, net of \$1,419,498 accumulated depreciation	1,795,824	
Infrastructure, net of \$772,818 accumulated depreciation	4,057,734	
Equipment, furniture, and fixtures net of \$859,530 accumulated depreciation	533,644	
Improvements other than buildings, net of \$50,656 accumulated depreciation	<u>267,654</u>	10,616,286
Elimination of interfund assets and liabilities		
Due from other funds	404,000	
Due to other funds	<u>(404,000)</u>	
Long-term liabilities at June 20, 2006:		
Bonds payable	(5,550,000)	
Compensated absences	(84,664)	
Accrued interest payable	<u>(85,077)</u>	<u>(5,719,741)</u>
Total net assets of governmental activities at June 30, 2006		<u>9,087,805</u>

The accompanying notes are an integral part of this statement.

CITY OF VILLE PLATTE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds

For the Year Ended June 30, 2006

	General Fund	1975 Sales Tax Special Revenue	1984 Sales Tax Special Revenue	P. I. Sales Tax Bonds Debt Service Fund	Municipal Building Construction Fund	Other Governmental Funds	Totals
<b>Revenues:</b>							
Taxes	\$1,212,296	\$1,206,768	\$1,206,768				\$3,625,832
Licenses and permits	373,023					\$ 429,427	373,023
Intergovernmental	418,458					58,827	847,885
Fines and forfeits						12,000	58,827
Marshall fees						5,129	12,000
Miscellaneous	298,318	759	15,517	\$ 10,218	\$ 15,758		345,699
Total revenues	2,302,095	1,207,527	1,222,285	10,218	15,758	505,383	5,263,266
<b>Expenditures:</b>							
Current -							
General government	617,989	28,213	28,311			260,013	934,526
Public safety:							
Police	1,051,395						1,051,395
Fire	620,827						620,827
Streets and drainage	622,534						622,534
Culture and recreation	260,528						260,528
Urban development and housing					1,122,614	400,187	400,187
Capital outlay	234,995					391,018	1,748,627
Debt service -							
Principal retirement	92,424			500,000			592,424
Interest and fiscal charges	54,595			224,058			278,653
Total expenditures	3,555,287	28,213	28,311	724,058	1,122,614	1,051,218	6,509,701
Excess (deficiency) of revenues over expenditures	(1,253,192)	1,179,314	1,193,974	(713,840)	(1,106,856)	(545,835)	(1,246,435)
Other financing sources (uses):							
Transfers in	1,461,281			727,285		413,000	2,601,566
Transfers out		(1,114,000)	(977,285)				(2,091,285)
Total other financing sources (uses)	1,461,281	(1,114,000)	(977,285)	727,285		413,000	510,281
Net changes in fund balances	208,089	65,314	216,689	13,445	(1,106,856)	(132,835)	(736,154)
Fund balances, beginning	701,428	235,996	751,837	1,196,347	1,355,554	686,252	4,927,414
Fund balances, ending	909,517	301,310	968,526	1,209,792	248,698	553,417	4,191,260

The accompanying notes are an integral part of this statement.

CITY OF VILLE PLATTE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2006

Total net changes in fund balances at June 30, 2006 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ (736,154)
Add: Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	1,748,627
Less: Depreciation expense for the year ended June 30, 2006	(359,274)
Current year disposition of capital assets net of accumulated depreciation	(4,902)
Add: Bond principal retirement considered as an expenditure on Statement of Revenues, Expenditures and Changes in Fund Balances	592,424
Add: Net income of the Group Insurance Self- Insurance Internal Service Fund	(24,071)
Add: Excess of compensated absences used over compensated absences earned	14,656
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis	<u>7,350</u>
Total changes in net assets at June 30, 2006 per Statement of Activities	<u><u>1,238,656</u></u>

The accompanying notes are an integral part of this statement.

CITY OF VILLE PLATTE, LOUISIANA

Proprietary Funds  
Statement of Net Assets  
June 30, 2006

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
<b>ASSETS</b>		
Current assets:		
Cash	\$ 591,927	
Interest-bearing deposits	117,829	
Receivables:		
Accounts	348,035	
Unbilled utility receivables	169,736	
Accrued interest receivable	1,339	
Due from other funds	406,667	
Prepaid items	21,263	
Inventory - materials and supplies, at cost	26,250	
Total current assets	<u>1,683,046</u>	<u>0</u>
Noncurrent assets:		
Restricted assets -		
Cash	168,565	
Interest-bearing deposits	1,097,721	
Capital assets, net of accumulated depreciation	13,041,764	
Unamortized bond issuance costs	45,936	
Total noncurrent assets	<u>14,353,986</u>	<u>0</u>
Total assets	<u>16,037,032</u>	<u>0</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	56,462	
Accrued liabilities	73,988	
Due to other funds	170,000	
Payable from restricted assets -		
Revenue bonds	415,000	
Customers' deposits	450,736	
Accrued interest payable	22,213	
Total current liabilities	<u>1,188,399</u>	<u>0</u>
Noncurrent liabilities:		
Compensated Absences	26,978	
Revenue bonds payable	2,770,000	
Total noncurrent liabilities	<u>2,796,978</u>	<u>0</u>
Total liabilities	<u>3,985,377</u>	<u>0</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	10,271,764	
Restricted for debt service	378,337	
Unrestricted	1,401,554	
Total net assets	<u>12,051,655</u>	<u>0</u>

The accompanying notes are an integral part of this statement.



CITY OF VILLE PLATTE, LOUISIANA

Proprietary Funds  
Statement of Revenues, Expenses, and Changes in Fund Net Assets  
For the Year Ended June 30, 2006

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
Operating revenues:		
Charges for services	\$ 4,619,755	
Connection and inspection fees	56,405	
Miscellaneous	120,725	\$ 5
Total operating revenues	<u>4,796,885</u>	<u>5</u>
Operating expenses:		
Gas department expenses	2,470,184	
Water department expenses	598,376	
Sewerage department expenses	350,370	
Depreciation expense	642,242	
Total operating expenses	<u>4,061,172</u>	<u>0</u>
Operating income	<u>735,713</u>	<u>5</u>
Nonoperating revenues (expenses):		
Interest income	9,532	
Interest expense	(142,305)	
Bad debt recovery	1,659	
Paying agent's fees	(625)	
Amortization of bond issuance costs	(3,301)	
Total nonoperating revenues (expenses)	<u>(135,040)</u>	<u>0</u>
Income before contributions and transfers	<u>600,673</u>	<u>5</u>
Capital contributions (FEMA)	<u>15,091</u>	<u>0</u>
Transfers in (out):		
Transfers in	205,000	
Transfers out - Payment in lieu of taxes	(455,205)	
Transfers out	(236,000)	(24,076)
Total transfers in (out)	<u>(486,205)</u>	<u>(24,076)</u>
Change in net assets	129,559	(24,071)
Net assets, beginning	<u>11,922,096</u>	<u>24,071</u>
Net assets, ending	<u>12,051,655</u>	<u>0</u>

The accompanying notes are an integral part of this statement.

CITY OF VILLE PLATTE, LOUISIANA

Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2006

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
Cash flows from operating activities:		
Receipts from customers	\$4,613,197	
Payments to suppliers	(2,928,285)	
Payments to employees	(493,439)	
Other receipts	120,725	\$ 5
Net cash provided by operating activities	<u>1,312,198</u>	<u>5</u>
Cash flows from noncapital financing activities:		
Cash paid to other funds	(7,063)	
Cash received from other funds	2,873	
Transfers from other funds	205,000	
Transfers to other funds	(691,205)	(24,076)
Net cash used by noncapital financing activities	<u>(490,395)</u>	<u>(24,076)</u>
Cash flows from capital and related financing activities:		
Principal paid on revenue bonds payable	(400,000)	
Interest and fiscal charges paid on revenue bonds and notes payable	(144,735)	
Bad debt recoveries	1,659	
Capital contributions	15,091	
Proceeds from meter deposits	83,096	
Refund of meter deposits	(64,481)	
Acquisition of property, plant and equipment	(40,222)	
Net cash used by capital and related financing activities	<u>(549,592)</u>	<u>0</u>
Cash flows from investing activities:		
Interest on investments	8,401	0
Net increase (decrease) in cash and cash equivalents	280,612	(24,071)
Cash and cash equivalents, beginning of period	<u>1,695,430</u>	<u>24,071</u>
Cash and cash equivalents, end of period	<u><u>1,976,042</u></u>	<u><u>0</u></u>

(continued)

The accompanying notes are an integral part of this statement.

CITY OF VILLE PLATTE, LOUISIANA

Statement of Cash Flows  
Proprietary Funds (continued)  
For the Year Ended June 30, 2006

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 735,713	\$ 5
Adjustments to reconcile operating income to net cash used/provided by operating activities:		
Depreciation	642,242	
Changes in current assets and liabilities:		
Decrease in accounts receivable	6,575	
Increase in provision for uncollectible accounts	8,109	
Decrease in unbilled utility receivables	(77,649)	
Decrease in other receivables	305	
Increase in inventory	(5,763)	
Increase in prepaid items	(2,422)	
Decrease in accounts payable	(3,502)	
Increase in accrued liabilities	30,236	
Decrease in compensated absences payable	(21,646)	
Net cash provided by operating activities	<u>1,312,198</u>	<u>5</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 351,479	\$ 17,497
Interest-bearing deposits - unrestricted	92,981	6,574
Cash - restricted	125,101	
Interest-bearing deposits - restricted	1,125,869	
Total cash and cash equivalents	<u>1,695,430</u>	<u>24,071</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	591,927	
Interest-bearing deposits - unrestricted	117,829	
Cash - restricted	168,565	
Interest-bearing deposits - restricted	1,097,721	
Total cash and cash equivalents	<u>1,976,042</u>	<u>0</u>
Net increase (decrease)	<u>280,612</u>	<u>(24,071)</u>

The accompanying notes are an integral part of this statement.

## CITY OF VILLE PLATTE, LOUISIANA

### Notes to Basic Financial Statements

#### (1) Summary of Significant Accounting Policies

The accompanying financial statements of the City of Ville Platte (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

##### A. Financial Reporting Entity

The City was incorporated under the provisions of the Lawrason Act. The City operates under a Mayor-Board of Aldermen form of government. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. These financial statements report only the City of Ville Platte, the primary government and do not include two component units identified as follows:

##### City Marshal -

The City Marshal's office is controlled by the City Marshal, who is an independently elected official. The City Marshal is included as part of the operations of the City Court System. The City Court System is fiscally dependent on the City of Ville Platte for office space and courtrooms.

##### City Court-

The City Court is controlled by the City Court Judge who is an independently elected official. The City Court is included as part of the operations of the City Court System. The City Court System is fiscally dependent on the City of Ville Platte for office space and courtrooms and payment of salaries and other operating expenditures.

## CITY OF VILLE PLATTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### B. Basis of Presentation

##### Government-wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the City of Ville Platte, the primary government, as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The City's internal service fund is a governmental activity. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

##### Fund Financial Statements

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Fund financial statements report detailed information about the City.

The various funds of the City are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined

## CITY OF VILLE PLATTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

The major funds of the City are described below:

#### Governmental Funds -

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The 1975 Sales Tax Special Revenue Fund accounts for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

The 1984 Sales Tax Special Revenue Fund accounts for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

The P. I. Sales Tax Bonds Debt Service Fund accounts for the accumulation of monies for payment of the \$3,500,000 Public Improvement Sales Tax Bonds, Series ST-2001, and the \$2,380,000 Public Improvement Sales Tax Refunding Bonds, Series ST-2003.

The Municipal Building Construction Capital Projects Fund accounts for the financing and construction of a City Hall complex, including a city court and police department, using proceeds from the issuance of \$3,500,000 Public Improvement Sales Tax Bonds, Series ST-2001.

Additionally, the City reports the following fund types:

#### Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

#### Debt Service Fund

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

#### Capital Projects Fund

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

## CITY OF VILLE PLATTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Proprietary Funds -

Proprietary funds are used to account for ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position, and cash flows. The following are the City's proprietary fund types:

##### Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City applies all applicable FASB pronouncements issued after November 30, 1989 in accounting and reporting for its Enterprise Fund. The City's Enterprise Fund is the Utility Fund.

##### Internal Service Fund

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. The City's Internal Service Fund was closed out during the year.

#### C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

##### Measurement Focus

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

## CITY OF VILLE PLATTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

- b. The Proprietary Fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

#### Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

#### Program revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the City's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the City's general revenues.

#### Allocation of indirect expenses

The City reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.



## CITY OF VILLE PLATTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### D. Assets, Liabilities and Equity

##### Cash and interest-bearing deposits

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the City. For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less when purchased.

##### Investments

Under state law the City may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The City may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

##### Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

##### Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem and sales and use taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2006, an allowance for ad valorem taxes was considered unnecessary due to immateriality. The allowance for uncollectibles for customers' utility receivables was \$53,193 at June 30, 2006. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2006, are recorded as prepaid items.

Inventories

Inventory of the Utility Fund consists of supplies and parts that are valued at lower of cost (first-in, first-out) or market.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to July 1, 2002, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Equipment	5 years
Utility system and improvements	20-40 years
Infrastructure	20 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Compensated Absences

Municipal employees hired before June 30, 2000, earn sick leave at a rate of fourteen hours per month. Municipal employees hired after June 30, 2000 earn sick leave at a rate of 2.77 hours per pay period. Vacation leave is earned as follows:

# CITY OF VILLE PLATTE, LOUISIANA

## Notes to Basic Financial Statements (Continued)

	Employees of		
	Other Departments	Police	Fire
1 - 4 years service	10 days	10 days	5 days
5 - 9 years service	15 days	15 days	7 days
10 or more years service	20 days	20 days	10 days

Sick leave accumulates and is available for employees when needed, however, it does not vest nor is it payable at termination of employment. Vacation leave is earned over a calendar year basis. Municipal employees may not carry over or accumulate more than thirty days of vacation leave from one employment anniversary date to another. Police and Fire may not carry over vacation leave.

For fund financial statements, vested or accumulated sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a current fund liability of the governmental fund that will pay it. In the government-wide statements, amounts of vested or accumulated sick leave that are not expected to be liquidated with expendable available financial resources are recorded as long-term debt.

### Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted as to their use. The restricted assets are related to the revenue bond accounts and utility meter deposits.

### Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of the revenue bonds payable and utility meter deposits payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

## CITY OF VILLE PLATTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

#### E. Revenues, Expenditures, and Expenses

##### Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

##### Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character:

Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

F. Revenue Restrictions

The City has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 3
Gas, water and sewer revenue	Debt service and utility operations

The City uses unrestricted resources only when restricted resources are fully depleted.

G. Budgets and Budgetary Accounting

A budget for the General Fund and Special Revenue Funds was prepared on a basis consistent with generally accepted accounting principals (GAAP). Budgeted amounts are as originally prepared or amended by the City. All budgetary appropriations lapse at the end of each fiscal year.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

I. Report Classification

Certain previously reported amounts for the year ended June 30, 2005 have been reclassified to conform to the June 30, 2006 classifications.

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the City in September or October and are actually billed to taxpayers in December. Billed taxes become delinquent on January 1 of the following year. The City bills and collects its own property taxes. Property tax revenues are recognized when levied to the extent that they result in current receivables.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2006, taxes of 21.01 mills were levied on property with assessed valuations totaling \$35,075,770 and were dedicated as follows:

General corporate purposes	7.00 mills
Street and drainage maintenance	10.01 mills
Police and Fire	<u>4.00</u> mills
Total	<u>21.01</u> mills

Total taxes levied were \$736,942. Taxes receivable at June 30, 2006 were \$2,220.

(3) Dedication of Proceeds and Flow of Funds - 1 Percent Sales and Use Tax

A one percent sales and use tax levied by the City in 1975 (2006 collections \$1,206,768) is dedicated to the following purposes:

Paying bonds; constructing, acquiring, improving and maintaining police and fire department stations and equipment; water disposal facilities; streets, sidewalks, and drainage facilities; sewer and sewerage disposal works; park and pool facilities; and compensating firemen and policemen.

A one percent sales and use tax levied by the City beginning in 1984 (2006 collections \$1,206,768) is dedicated to these purposes:

Paying debt service on outstanding bonds; constructing, acquiring, extending, improving, operating and maintaining sewers and sewerage disposal works; with at least 5 percent of the tax proceeds annually for constructing, improving and maintaining city streets and sidewalks; constructing, improving and maintaining public buildings; and acquiring the necessary land, equipment and furnishings for the aforesaid.

(4) Cash and Interest-bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2006, the City has cash and interest-bearing deposits (book balances) totaling \$6,360,270 as follows:

Demand deposits	\$1,292,640
Money market and savings accounts	3,877,603
Time deposits	<u>1,190,027</u>
Total	<u>\$6,360,270</u>

# CITY OF VILLE PLATTE, LOUISIANA

## Notes to Basic Financial Statements (Continued)

These deposits are stated at cost, which approximates market. Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2006, are as follows:

Bank balances	<u>\$ 6,490,119</u>
At June 30, 2006 the deposits are secured as follows:	
Federal deposit insurance	692,015
Pledged securities (Category 3)	<u>5,765,679</u>
Total	<u>6,457,694</u>
Deficiency of bank balances under insured	<u>\$ (32,425)</u>

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the City's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand.

### (5) Receivables

Receivables at June 30, 2006 of \$660,269 consist of the following:

	<u>General</u>	<u>1975 Sales Tax</u>	<u>1984 Sales Tax</u>	<u>Mun Bldg Constr.</u>	<u>Utility</u>	<u>Total</u>
Accounts	\$ -	\$ -	\$ -	\$ -	\$ 348,035	\$ 348,035
Unbilled utility	-	-	-	-	169,736	169,736
Ad valorem taxes	2,220	-	-	-	-	2,220
Franchise tax	98,754	-	-	-	-	98,754
Interest	225	759	2,089	593	1,339	5,005
Other	<u>36,519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,519</u>
Totals	<u>\$ 137,718</u>	<u>\$ 759</u>	<u>\$ 2,089</u>	<u>\$ 593</u>	<u>\$ 519,110</u>	<u>\$ 660,269</u>

CITY OF VILLE PLATTE, LOUISIANA  
Notes to Basic Financial Statements (Continued)

(6) Due from Other Governmental Units

Amounts due from other governmental units consisted of the following at June 30, 2006:

Amount due from the State of Louisiana for fire insurance rebate for fiscal year ending June 30, 2006	\$ 30,144
Amount due from Evangeline Parish Ward One Fire District No. 2 for fire protection services	29,750
Amount due from the Louisiana Commission on Law Enforcement for Police Grants	2,220
Amount due from the United States Department of Agriculture for the Summer Food Service Program for Children.	4,286
Amount due from Ville Platte City Court for fines and forfeits and Marshall fees.	<u>5,725</u>
	<u>\$ 72,125</u>

(7) Capital Assets

Capital asset activity for the year ended June 30, 2006 was as follows:

	<u>Balance 07/01/05</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/06</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 909,615	\$ -	\$ -	\$ 909,615
Construction in progress	3,119,775	1,512,049	1,580,009	3,051,815
Other capital assets:				
Buildings	3,188,925	26,397	-	3,215,322
Infrastructure	3,250,543	1,580,009	-	4,830,552
Equipment, furniture and fixtures	1,288,746	196,295	91,865	1,393,176
Improvements other than buildings	304,423	13,886	-	318,309
Totals	<u>12,062,027</u>	<u>3,328,636</u>	<u>1,671,874</u>	<u>13,718,789</u>
Less accumulated depreciation				
Buildings	1,332,770	86,728	-	1,419,498
Infrastructure	616,842	155,976	-	772,818
Equipment, furniture and fixtures	846,315	100,179	86,963	859,531
Improvements other than buildings	34,265	16,391	-	50,656
Total accumulated depreciation	<u>2,830,192</u>	<u>359,274</u>	<u>86,963</u>	<u>3,102,503</u>
Governmental activities, capital assets, net	<u>\$ 9,231,835</u>	<u>\$ 2,969,362</u>	<u>\$ 1,584,911</u>	<u>\$ 10,616,286</u>



CITY OF VILLE PLATTE, LOUISIANA  
Notes to Basic Financial Statements (Continued)

	Balance 07/01/05	Additions	Deletions	Balance 06/30/06
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 101,475	\$ -	\$ -	\$ 101,475
Construction in progress	742,096	-	742,096	-
Other capital assets:				
Gas system	3,944,698	-	-	3,944,698
Water system	7,796,894	-	-	7,796,894
Sewer system	10,189,726	742,096	-	10,931,822
Machinery and equipment	207,229	40,278	11,149	236,358
Totals	<u>22,982,118</u>	<u>782,374</u>	<u>753,245</u>	<u>23,011,247</u>
Less accumulated depreciation				
Gas system	2,874,812	69,691	-	2,944,503
Water system	3,063,593	287,886	-	3,351,479
Sewer system	3,265,021	257,861	-	3,522,882
Machinery and equipment	134,909	26,804	11,094	150,619
Total accumulated depreciation	<u>9,338,335</u>	<u>642,242</u>	<u>11,094</u>	<u>9,969,483</u>
Business-type activities, capital assets, net	<u>\$ 13,643,783</u>	<u>\$ 140,132</u>	<u>\$ 742,151</u>	<u>\$ 13,041,764</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 78,630
Police	45,582
Fire	17,212
Streets	184,081
Culture and recreation	33,769
Total depreciation expense	<u>\$ 359,274</u>

Depreciation expense was charged to business-type activities as follows:

Gas	\$ 80,910
Water	299,449
Sewer	261,883
Total depreciation expense	<u>\$ 642,242</u>

Construction in progress of \$3,051,815 in the governmental activities consists of \$3,037,925 in architectural and engineering fees relative to the Municipal Hall Complex and \$13,890 of engineering fees relative to a street improvements project.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Restricted Assets - Proprietary Fund Type (Enterprise Utility Fund)

Restricted assets consisted of the following at June 30, 2006:

Bond and interest sinking fund	\$ 199,462
Bond reserve fund	406,225
Renewal and replacement fund	206,908
Customers' deposits	450,736
Water construction fund	2,955
	<u>\$ 1,266,286</u>

(9) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at June 30, 2006:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts	\$ 77,798	\$ 56,462	\$ 134,260
Contracts	54,061	-	54,061
Other liabilities	<u>60,761</u>	<u>73,988</u>	<u>134,749</u>
Totals	<u>\$ 192,620</u>	<u>\$ 130,450</u>	<u>\$ 323,070</u>

(10) Changes in Long-term Debt

The following is a summary of bonds, notes, certificates of indebtedness and compensated absences transactions of the City for the year ended June 30, 2006:

	<u>Governmental Activities</u>			<u>Business-type Activities</u>	
	<u>General Obligation</u>	<u>Capital Lease</u>	<u>Compensated Absences</u>	<u>Revenue</u>	<u>Total</u>
Long-term debt, July 1, 2005	\$ 6,135,000	\$ 7,424	\$ 99,320	\$ 3,585,000	\$ 9,826,744
Additions	-	-	-	-	-
Retirements	<u>(585,000)</u>	<u>(7,424)</u>	<u>(14,656)</u>	<u>(400,000)</u>	<u>(1,007,080)</u>
Long-term debt, June 30, 2006	<u>\$ 5,550,000</u>	<u>\$ -</u>	<u>\$ 84,664</u>	<u>\$ 3,185,000</u>	<u>\$ 8,819,664</u>

# CITY OF VILLE PLATTE, LOUISIANA

## Notes to Basic Financial Statements (Continued)

Bonds payable at June 30, 2006 are comprised of the following individual issues:

### General obligation bonds:

\$3,500,000 Public Improvement Sales Tax Bonds, Series ST-2001, due in annual installments of \$120,000 - \$290,000 through March 1, 2021; interest at 5.00 - 5.625 percent, secured by sales tax revenues	\$ 3,020,000
\$2,380,000 Public Improvement Sales Tax Refunding Bonds, Series ST-2003, due in annual installments of \$405,000 - \$440,000 through March 1, 2009; interest at 3.25 - 4.00 percent, secured by sales tax revenues	1,270,000
\$1,500,000 Street and Drainage Bonds, Series 2003, due in annual installments of \$90,000 - \$145,000 through March 1, 2017; interest at 4.05 percent, secured by ad valorem taxes transferred from the General Fund	<u>1,260,000</u>
	<u>\$ 5,550,000</u>

### Revenue bonds:

\$2,350,000 Utilities Revenue Refunding Bonds, Series 2004 due in annual installments of \$70,000 - \$420,000 through May 1, 2014; interest at 3.05 - 4.80 percent; secured by Utility Fund revenues	\$ 1,595,000
\$1,650,000 Utilities Revenue Bonds Series 2003, due in annual installments of \$20,000 - \$285,000 through May 1, 2015; interest at 3.25 - 5.20 percent; secured by Utility Fund revenues	<u>1,590,000</u>
	<u>\$ 3,185,000</u>

The bonds are due as follows:

Year ending June 30,	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	Principal payments	Interest payments	Principal payments	Interest payments
2007	\$ 615,000	\$ 255,230	\$ 415,000	\$ 133,280
2008	645,000	231,673	430,000	120,583
2009	670,000	205,650	445,000	105,922
2010	260,000	176,850	295,000	89,173
2011	275,000	164,800	305,000	76,767
2012-2016	1,630,000	615,818	1,295,000	159,488
2017-2021	<u>1,455,000</u>	<u>221,317</u>	-	-
Total	<u>\$ 5,550,000</u>	<u>\$ 1,871,338</u>	<u>\$ 3,185,000</u>	<u>\$ 685,213</u>

## CITY OF VILLE PLATTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. Government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's Enterprise Fund's balance sheet and the governmental activities column of the Statement of Net Assets. As of June 30, 2006, the amount of defeased utility revenue debt outstanding but removed from the Enterprise Fund's balance sheet amounted to \$4,000,000. Additionally, as of June 30, 2006, there remained a balance of \$2,135,000 of defeased Sewer Improvement Serial Bonds, which were removed from the Statement of Net Assets.

#### (11) Flow of Funds: Restrictions on Use - Utilities Revenues

Under the terms of the \$2,350,000 Utilities Revenue Refunding Bonds Series 2004 and \$1,650,000 Utilities Revenue Bonds Series 2003 bond indentures dated May 1, 2004 and May 1, 2003, all income and revenues of every nature derived from the operation of the system are pledged and dedicated to the retirement of said bonds.

##### Bond and Interest Sinking Fund

The City is required to set aside into a Utilities Revenue Bond Sinking Fund each month a sum equal to 1/6 of the interest falling due on the next interest payment date plus 1/12 of the principal falling due on the next principal payment date. Funds deposited in this account are available only for the retirement of maturing bonds and interest.

##### Reserve Fund

The Utilities Revenue Bond Reserve Fund is maintained solely for the purpose of paying the principal of and the interest on bonds payable from the sinking fund as to which there would otherwise be default. The fund is required to be funded in an amount equal to the reserve fund requirement (\$400,000 at June 30, 2006).

##### Capital Additions and Contingencies Fund

The Utilities System Capital Additions and Contingencies Fund (Renewal and Replacement Fund) was established to care for extensions, additions, improvements, renewals, and replacements necessary to properly operate the system and to pay the principal of and the interest on the bonds, including any additional pari passu bonds issued hereafter in the manner provided by the bond resolution, for the payment of which there is not sufficient money in the sinking or reserve funds.

The maximum required balance of \$200,000 was deposited when the bonds were sold. The money in the fund shall never be used for the making of such extensions, additions, improvements, renewals and replacements if such use of said money will leave less than the sum of \$50,000. In the event that the City utilizes any monies in the fund so that the balance falls below \$200,000, a monthly deposit of 5 percent of the gross revenues of the system (excluding revenues derived from fuel adjustments) must be made until there is again on deposit the sum of \$200,000.

## CITY OF VILLE PLATTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Utility Rates

It is further understood that the City shall adopt a rate ordinance which shall provide revenue in each year, after paying all reasonable and necessary expenses of operating and maintaining the utility system in such year, at least equal to 135 percent of the largest amount of principal and interest maturing on the bonds in any future fiscal year. Said rate ordinance shall also provide for 10 percent penalty charge for non-payment of bills within ten days after the due date and discontinuance of service upon non-payment of bills within thirty days after the due date.

#### (12) Employee Retirement

Substantially all employees of the City are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana, Municipal Police Employees Retirement System of Louisiana, or Firefighters Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

##### A. Municipal Employees Retirement System of Louisiana (System)

Plan Description - The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

## CITY OF VILLE PLATTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

Funding Policy - Under Plan A, members are required by state statute to contribute 9.25% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 16.00% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the System for the years ending June 30, 2006, 2005, and 2004 were \$141,992, \$137,358, and \$133,796, respectively, equal to the required contributions for each year.

#### B. Municipal Police Employees Retirement System of Louisiana (System)

Plan Description - All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 929-7411.

Funding Policy - Plan members are required by state statute to contribute 7.5% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 16.25% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the System for the years ending June 30, 2006, 2005, and 2004 were \$76,729, \$88,133, and \$74,644, respectively, equal to the required contributions for each year.

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

C. Firefighters' Retirement System of Louisiana

Plan Description - Membership in the Louisiana Firefighters' Retirement System is mandatory for all full-time firefighters employed by a municipality, parish, or fire protection district that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, Post Office Box 94095, Baton Rouge, Louisiana 70804, or by calling (225) 925-4060.

Funding Policy - Plan members are required by state statute to contribute 8.0% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 18.0% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City firefighters began participation in the system effective July 1, 1999. The City's contributions to the System for the years ending June 30, 2006, 2005 and 2004 were \$57,225, \$60,387, and \$64,016, respectively, equal to the required contributions for each year.

## CITY OF VILLE PLATTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### D. Louisiana State Employees' Retirement System

##### Plan Description

The Louisiana State Employees' Retirement System (LASERS) is a qualified defined benefit pension and retirement plan as established and provided for by R.S. 11:558 of the Louisiana Revised Statutes (LRS).

Membership is mandatory as a condition of employment. Employees who retire with 30 years of credited service at any age, or at after age 55 with at least 25 years of credited service, or at or after age 60 with or at least 10 years of credited service, or with 20 years of credited service at any age with actuarially reduced benefit are entitled to a retirement benefit payable monthly for life, equal to 2.5 percent of their final average compensation for every year of creditable service. An additional \$300 is applied if they joined LASERS before July 1, 1986. Benefits may not exceed 100 percent of four final average compensation. Most employees reach 100 percent of final average compensation at 40 years of membership service credit. Final average compensation is the average annual earned compensation received during the 36 highest months of successive employment, or the highest joined months of employment if service was interrupted. Averages for part-time service are based on pay that would have been received if employment had been full-time. The System also provides death and disability benefits.

The Louisiana State Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to LASERS, P.O. Box 44213, Baton Rouge, LA 70804.

##### Funding Policy

Plan members are required to contribute 11.5 percent of their annual covered salary and the City is required to contribute 19.1 percent as established by the state statute. The City's contributions to the System for the years ended August 31, 2006, 2005 and 2004 were \$1,851, \$1,725 and \$1,531 respectively, equal to the required contributions each year.

#### E. Social Security System

Employees of the City of Ville Platte who are not eligible to participate in any other retirement system are members of the Social Security System. The City and its employees contribute a percentage of each employee's salary to the System (7.65 percent contributed by the City; 7.65 percent contributed by the employee). The City's contributions during the years ending June 30, 2006, 2005, and 2004 amounted to \$36,400, \$33,082 and \$41,219, respectively.



# CITY OF VILLE PLATTE, LOUISIANA

## Notes to Basic Financial Statements (Continued)

### (13) Operating Lease

The City entered into a lease with Universal Communications, Inc. for a three hundred foot (300) tower and antenna with related power equipment and hardware to sustain, operate and maintain communications equipment for the Ville Platte Police Department and Ville Platte Fire Department including but not limited to equipment housing and power generation back up. The lease calls for 60 monthly payments of \$450 beginning September, 2005. The City has the option to renew lease for an additional term of five years with a 5% rental increase at each renewal term.

### (14) Pending Litigation

At June 30, 2006, the City of Ville Platte was a defendant in several lawsuits. The City's legal counsel has reviewed the claims and lawsuits, in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any, of the amount or range of potential loss to the City not covered by insurance. As a result of the review, there are no claims and lawsuits which might result in a liability to the City which are not considered coverable by insurance.

### (15) Enterprise Fund Contracts

The City purchases its natural gas from Crosstex Gulf Coast Marketing, under a contract commencing June 1, 2004. The contract can be renewed on an annual basis by mutual consent of the parties. The City purchased natural gas during fiscal year ended June 30, 2006 in the amount of \$2,051,403 of which \$66,244 was owed for purchases for the month of June, 2006.

### (16) Segment Information for the Enterprise Fund

The City of Ville Platte maintains one enterprise fund with three departments which provide gas, water, and sewerage services. Segment information for the year ended June 30, 2006 was as follows:

	Gas Department	Water Department	Sewerage Department	Total Enterprise Fund
Operating revenues	\$2,932,588	\$ 1,044,742	\$ 819,555	\$4,796,885
Operating expenses:				
Depreciation	80,910	299,449	261,883	642,242
Other	2,470,184	598,376	350,370	3,418,930
Total operating expenses	2,551,094	897,825	612,253	4,061,172
Operating income	\$ 381,494	\$ 146,917	\$ 207,302	\$ 735,713

CITY OF VILLE PLATTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(17) Compensation of City Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended June 30, 2006 follows:

Mayor:

Phillip A. Lemoine	<u>\$ 39,903</u>
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Aldermen:

Carol Alfred	\$ 9,652
James Bordelon	7,142
C. J. Dardeau	9,066
Earl Edwards	9,620
Freddie Jack	9,066
William B. Jeanmard	9,066
Michael Perron	<u>1,924</u>
	<u>\$ 55,536</u>

(18) Risk Management

The City is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

(19) Interfund Receivables/Payables

A. A summary of interfund receivables and payables at June 30, 2006 follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major governmental funds:		
General Fund	\$ 234,000	\$ 406,667
1984 Sales Tax Special Revenue Fund	<u>170,000</u>	<u>234,000</u>
Total major governmental funds	<u>404,000</u>	<u>640,667</u>
Proprietary fund:		
Enterprise Fund	<u>406,667</u>	<u>170,000</u>
Total	<u>\$ 810,667</u>	<u>\$ 810,667</u>

# CITY OF VILLE PLATTE, LOUISIANA

## Notes to Basic Financial Statements (Continued)

The amounts due to the General Fund from various other funds are for short-term loans. The amount due to the Enterprise Fund from the General Fund is for reimbursements owed for General Fund expenditures paid by the Enterprise Fund and for budgeted appropriations which were not transferred. The other receivable balances are for short-term loans.

B. Transfers consisted of the following at June 30, 2006:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 1,461,281	\$ -
1975 Sales Tax Special Revenue Fund	-	1,114,000
1984 Sales Tax Special Revenue Fund	-	977,285
P. I. Sales Tax Bonds Debt Service Fund	727,285	-
	<u>2,188,566</u>	<u>2,091,285</u>
Nonmajor governmental funds:		
City Court Special Revenue Fund	163,000	-
Street & Drainage Construction Fund	250,000	-
Total nonmajor governmental funds	<u>413,000</u>	<u>-</u>
Total governmental funds	<u>2,601,566</u>	<u>2,091,285</u>
Proprietary funds:		
Enterprise Fund	205,000	691,205
Internal Service Fund	-	24,076
Total proprietary funds	<u>205,000</u>	<u>715,281</u>
Total	<u>\$ 2,806,566</u>	<u>\$ 2,806,566</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

CITY OF VILLE PLATTE, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$1,060,139	\$1,212,296	\$ 1,212,296	
Licenses and permits	361,250	373,023	373,023	
Intergovernmental	600,769	418,458	418,458	
Miscellaneous	140,900	298,318	298,318	
Total revenues	<u>2,163,058</u>	<u>2,302,095</u>	<u>2,302,095</u>	<u>0</u>
Expenditures:				
Current -				
General government	630,440	617,989	617,989	
Public safety:				
Police	1,255,220	1,051,395	1,051,395	
Fire	664,957	599,590	620,827	\$ (21,237)
Streets and drainage	653,149	622,534	622,534	
Culture and recreation	237,300	264,928	260,528	4,400
Capital outlay	575,000	230,595	234,995	(4,400)
Debt service	147,019	147,019	147,019	
Total expenditures	<u>4,163,085</u>	<u>3,534,050</u>	<u>3,555,287</u>	<u>(21,237)</u>
Deficiency of revenues over expenditures	<u>(2,000,027)</u>	<u>(1,231,955)</u>	<u>(1,253,192)</u>	<u>(21,237)</u>
Other financing sources (uses):				
Transfers in	1,702,571	1,461,281	1,461,281	
Transfers out	(20,000)			
Total other financing sources (uses)	<u>1,682,571</u>	<u>1,461,281</u>	<u>1,461,281</u>	<u>0</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(317,456)</u>	<u>229,326</u>	<u>208,089</u>	<u>(21,237)</u>
Fund balance, beginning	<u>701,428</u>	<u>701,428</u>	<u>701,428</u>	<u>0</u>
Fund balance, ending	<u>383,972</u>	<u>930,754</u>	<u>909,517</u>	<u>(21,237)</u>

CITY OF VILLE PLATTE, LOUISIANA  
1975 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule  
Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$1,080,000	\$1,206,768	\$1,206,768	
Miscellaneous		759	759	
Total revenues	<u>1,080,000</u>	<u>1,207,527</u>	<u>1,207,527</u>	<u>0</u>
Expenditures:				
Current -				
General government:				
Professional fees	10,000	4,445	4,445	
Sales tax collection fees	35,000	23,768	23,768	
Total expenditures	<u>45,000</u>	<u>28,213</u>	<u>28,213</u>	<u>0</u>
Excess of revenues over expenditures	<u>1,035,000</u>	<u>1,179,314</u>	<u>1,179,314</u>	<u>0</u>
Other financing uses:				
Transfers to -				
General Fund	(700,000)	(752,000)	(752,000)	
City Court Fund	(100,000)	(157,000)	(157,000)	
Utility Fund	(90,000)	(205,000)	(205,000)	
Total other financing uses	<u>(890,000)</u>	<u>(1,114,000)</u>	<u>(1,114,000)</u>	<u>0</u>
Excess of revenues over expenditures and other uses	145,000	65,314	65,314	0
Fund balance, beginning	<u>235,996</u>	<u>235,996</u>	<u>235,996</u>	<u>0</u>
Fund balance, ending	<u><u>380,996</u></u>	<u><u>301,310</u></u>	<u><u>301,310</u></u>	<u><u>0</u></u>

CITY OF VILLE PLATTE, LOUISIANA  
1984 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule  
Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,080,000	\$ 1,206,768	\$ 1,206,768	
Miscellaneous	10,000	15,517	15,517	
Total revenues	<u>1,090,000</u>	<u>1,222,285</u>	<u>1,222,285</u>	<u>0</u>
Expenditures:				
Current -				
General government:				
Professional fees	10,000	4,543	4,543	
Sales tax collection fees	35,000	23,768	23,768	
Total expenditures	<u>45,000</u>	<u>28,311</u>	<u>28,311</u>	<u>0</u>
Excess of revenues over expenditures	<u>1,045,000</u>	<u>1,193,974</u>	<u>1,193,974</u>	<u>0</u>
Other financing uses:				
Transfers to -				
General Fund	(100,000)			
Capital Projects Fund		(250,000)	(250,000)	
Utility Fund	(100,000)			
P. I. Sales Tax Bonds Debt				
Service Fund	(723,914)	(727,285)	(727,285)	
Total other financing uses	<u>(923,914)</u>	<u>(977,285)</u>	<u>(977,285)</u>	<u>0</u>
Excess of revenues over expenditures and other uses	121,086	216,689	216,689	0
Fund balance, beginning	<u>751,837</u>	<u>751,837</u>	<u>751,837</u>	<u>0</u>
Fund balance, ending	<u>872,923</u>	<u>968,526</u>	<u>968,526</u>	<u>0</u>

CITY OF VILLE PLATTE, LOUISIANA  
P. I. Sales Tax Bonds Debt Service Fund

Budgetary Comparison Schedule  
Year Ended June 30, 2006

	2006			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Miscellaneous - interest	\$ 10,700	\$ 10,218	\$ 10,218	
Total revenues	<u>10,700</u>	<u>10,218</u>	<u>10,218</u>	<u>0</u>
Expenditures:				
Current -				
General government -				
Paying agent fees	1,250	1,250		\$ 1,250
Debt service -				
Principal retirement	500,000	500,000	500,000	
Interest	222,808	222,808	224,058	(1,250)
Total expenditures	<u>724,058</u>	<u>724,058</u>	<u>724,058</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	(713,358)	(713,840)	(713,840)	0
Other financing sources:				
Transfers from other funds -				
1984 Sales Tax Fund	<u>723,914</u>	<u>727,285</u>	<u>727,285</u>	<u>0</u>
Excess (deficiency) of revenues and other sources over expenditures	10,556	13,445	13,445	0
Fund balance, beginning	<u>1,196,347</u>	<u>1,196,347</u>	<u>1,196,347</u>	<u>0</u>
Fund balance, ending	<u><u>1,206,903</u></u>	<u><u>1,209,792</u></u>	<u><u>1,209,792</u></u>	<u><u>0</u></u>



CITY OF VILLE PLATTE, LOUISIANA  
Municipal Building Construction Fund  
Capital Projects Fund

Budgetary Comparison Schedule  
Year Ended June 30, 2006

	2006			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Miscellaneous - interest	\$ 45,000	\$ 15,758	\$ 15,758	
Total revenues	<u>45,000</u>	<u>15,758</u>	<u>15,758</u>	<u>0</u>
Expenditures:				
Capital outlay -				
Construction cost	1,086,698	1,111,196	1,122,614	\$ (11,418)
Engineering and other	<u>268,302</u>	<u>11,418</u>		<u>11,418</u>
Total expenditures	<u>1,355,000</u>	<u>1,122,614</u>	<u>1,122,614</u>	<u>0</u>
Deficiency of revenues under expenditures	<u>(1,310,000)</u>	<u>(1,106,856)</u>	<u>(1,106,856)</u>	<u>0</u>
Fund balance, beginning	<u>1,355,554</u>	<u>1,355,554</u>	<u>1,355,554</u>	<u>0</u>
Fund balance, ending	<u>45,554</u>	<u>248,698</u>	<u>248,698</u>	<u>0</u>

**OTHER SUPPLEMENTARY INFORMATION**

**OTHER FINANCIAL INFORMATION**

CITY OF VILLE PLATTE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Revenues  
Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Taxes:</b>				
Ad valorem	\$ 235,601	\$ 243,913	\$ 243,913	
Street and drainage maintenance	336,909	348,798	348,798	
Police and fire tax	134,629	139,379	139,379	
PILOT - Housing Authority	12,000	10,130	10,130	
Franchise - utility companies	335,000	463,210	463,210	
Chain store	6,000	6,866	6,866	
	<u>1,060,139</u>	<u>1,212,296</u>	<u>1,212,296</u>	<u>0</u>
<b>Licenses and permits:</b>				
Occupational licenses	335,000	361,256	361,256	
Building permits	20,000	7,093	7,093	
Electrical permits	6,000	4,324	4,324	
House moving permits	250	350	350	
	<u>361,250</u>	<u>373,023</u>	<u>373,023</u>	<u>0</u>
<b>Intergovernmental:</b>				
State of Louisiana -				
Beer tax	20,000	23,383	23,383	
State grants	350,000	38,818	38,818	
Fire insurance rebate	25,000	30,144	30,144	
Highway maintenance	13,769	13,769	13,769	
Fire salary reimbursement	144,000	167,238	167,238	
Federal -				
Grants		98,706	98,706	
Summer food service program	48,000	46,400	46,400	
	<u>600,769</u>	<u>418,458</u>	<u>418,458</u>	<u>0</u>
<b>Miscellaneous:</b>				
Rental income -				
Gas department	15,000	15,000	15,000	
Park and civic center	30,000	46,903	46,903	
Land rent	17,500	29,900	29,900	
Rent income other	18,000	7,224	7,224	
Section 8 rent	4,200	4,200	4,200	
City park receipts	2,200			
Interest income	10,000	21,259	21,259	
Sale of capital assets		4,359	4,359	
Law enforcement revenue	14,000	14,427	14,427	
Miscellaneous grants		113,334	113,334	
Other sources	30,000	41,712	41,712	
	<u>140,900</u>	<u>298,318</u>	<u>298,318</u>	<u>0</u>
<b>Total revenues</b>	<u>2,163,058</u>	<u>2,302,095</u>	<u>2,302,095</u>	<u>0</u>

CITY OF VILLE PLATTE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures  
Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General government:				
Executive -				
Mayor salary	\$ 42,000	\$ 39,903	\$ 39,903	
Council salaries	56,000	55,536	55,536	
Retirement	6,600	7,899	7,899	
Medicare taxes	3,500	3,563	3,563	
Group insurance	24,300	18,486	18,486	
Auto allowances	12,000	10,600	10,600	
Dues and conventions	20,000	4,053	4,053	
Total executive	164,400	140,040	140,040	0
Administrative -				
Salaries	152,000	161,168	161,168	
Contract services	38,400	31,190	31,190	
Treasurer's pay	3,600	3,600	3,600	
Utilities	7,400	6,217	6,217	
Telephone	8,000	7,692	7,692	
Insurance	26,000	12,626	12,626	
Workman's compensation	1,900	1,979	1,979	
Advertising and publicity	14,000	8,017	8,017	
Group insurance	39,000	23,354	23,354	
Office expense	22,500	23,454	23,454	
Professional fees	57,040	61,733	61,733	
Repairs and maintenance	3,500	6,788	6,788	
Gas and oil	1,600	1,449	1,449	
Association dues, conventions and travel	5,000	6,936	6,936	
Chamber of Commerce social programs	6,000	6,000	6,000	
Auto allowances	4,000	4,110	4,110	
Retirement contributions	12,500	18,863	18,863	
Medicare taxes	2,900	4,319	4,319	
Payroll taxes	300	317	317	
Uniforms	100	512	512	
Summer feeding program expense	45,000	44,910	44,910	
Grant expenditures		35,579	35,579	
Election expense	10,000			
Demolition of property	300			
Miscellaneous	5,000	7,136	7,136	
Total administrative	466,040	477,949	477,949	0
Total general government	630,440	617,989	617,989	0

(Continued)

CITY OF VILLE PLATTE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (continued)  
Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public safety:				
Police department -				
Salaries	\$ 675,200	\$ 585,200	\$ 585,200	
Gas and oil	39,000	45,290	45,290	
Auto repairs	25,600	21,767	21,767	
Equipment and building repairs and maintenance	62,000	3,508	3,508	
Feeding prisoners	10,000	21,326	21,326	
Supplies	20,500	18,493	18,493	
Telephone	10,000	9,258	9,258	
Insurance	86,000	51,470	51,470	
Workman's compensation	44,000	37,021	37,021	
Advertising and publicity	1,500	2,080	2,080	
Uniforms and storage	10,000	7,750	7,750	
Retirement contributions	118,020	85,129	85,129	
Group insurance	89,000	77,932	77,932	
Professional fees	3,000	6,870	6,870	
Association dues, conventions and travel	3,500	5,482	5,482	
Officer training program	4,100	6,197	6,197	
Utilities	6,300	11,355	11,355	
Medicare taxes	9,200	9,279	9,279	
Payroll taxes	1,200	1,265	1,265	
Dare, K-9 and DWI expense	1,200	5,227	5,227	
Medical expense	20,500	22,638	22,638	
Miscellaneous	15,400	16,858	16,858	
Total police department	1,255,220	1,051,395	1,051,395	0
Fire department -				
Salaries	386,000	349,075	358,254	\$ (9,179)
Auto allowance	3,600	3,850	3,850	
Gas and oil	6,000	7,219	7,219	
Equipment and building repairs and maintenance	12,300	19,349	19,349	
Supplies	4,900	4,449	4,449	
Telephone	5,500	4,083	4,083	
Insurance	34,000	26,717	26,717	
Workman's compensation	40,000	26,793	26,793	
Uniforms	2,000	1,568	1,568	
Retirement contributions	60,000	58,048	58,048	

(Continued)

CITY OF VILLE PLATTE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (continued)  
Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fire department (continued) -				
Group insurance	\$ 65,000	\$ 50,674	\$ 50,674	
Utilities	14,300	17,164	17,164	
Medicare taxes	5,600	5,594	5,594	
School training	3,000	40	40	
Payroll taxes	800	799	799	
Contribution of fire insurance rebate	15,357	18,086	30,144	\$ (12,058)
Professional fees	2,500	3,694	3,694	
Miscellaneous	4,100	2,388	2,388	
Total fire department	664,957	599,590	620,827	(21,237)
Total public safety	1,920,177	1,650,985	1,672,222	(21,237)
Streets and drainage:				
Salaries	241,300	235,374	235,374	
Gas, oil and fuel	23,000	24,662	24,662	
Truck and equipment repairs	35,900	32,067	32,067	
Equipment lease	24,824	24,824	24,824	
Tools and supplies	11,000	17,064	17,064	
Telephone	3,200	2,409	2,409	
Insurance	45,000	22,401	22,401	
Workman's compensation	49,000	38,433	38,433	
Retirement contributions	31,800	32,185	32,185	
Group insurance	55,000	45,294	45,294	
Uniforms	2,800	2,386	2,386	
Auto allowance		2,400	2,400	
Utilities - street lights	74,900	90,734	90,734	
Medicare taxes	3,500	4,556	4,556	
Payroll taxes	500	473	473	
Medical expense	200	4	4	
Sand, gravel, cement and dirt	2,000	2,570	2,570	
Main street program/Economic development	11,200	9,624	9,624	
Street, repairs and overlay	3,500	4,555	4,555	
Professional fees	1,000	2,947	2,947	
Impounder	4,325	6,300	6,300	
Grass and tree cutting	5,000	8,260	8,260	
EP Solid Waste	15,000			
Miscellaneous	9,200	13,012	13,012	
Total streets and drainage	653,149	622,534	622,534	0

(Continued)

CITY OF VILLE PLATTE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (continued)  
Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Culture and recreation:				
Salaries	\$ 90,000	\$ 85,729	\$ 85,729	
Gas, oil and diesel	4,300	4,321	4,321	
Building and equipment repairs	25,500	43,884	39,484	\$ 4,400
Small tools and supplies	12,200	19,711	19,711	
Telephone	2,800	2,726	2,726	
Insurance	18,700	12,207	12,207	
Workman's compensation	6,400	4,864	4,864	
Retirement contributions	13,300	11,463	11,463	
Group insurance	16,800	12,452	12,452	
Uniforms	1,000	666	666	
Utilities	33,400	42,263	42,263	
Medicare taxes	1,200	1,194	1,194	
Payroll taxes	200	169	169	
Professional fees	1,500	5,570	5,570	
Grant expenditures		8,366	8,366	
Miscellaneous	10,000	9,343	9,343	
Total culture and recreation	237,300	264,928	260,528	4,400
Capital outlay:				
Administrative -				
Equipment		3,234	3,234	
Public safety -				
Police:				
Equipment		101,367	101,367	
Vehicles	100,000	44,594	44,594	
Fire:				
Vehicles	20,000	21,492	21,492	
Streets and drainage -				
Equipment		11,766	11,766	
Vehicles		5,360	5,360	
Lincoln Road improvements	125,000			
Culture and recreation -				
Equipment		2,499	6,899	(4,400)
Walking trail	330,000			
Museum project		26,397	26,397	
Park improvements		13,886	13,886	
Total capital outlay	575,000	230,595	234,995	(4,400)
Debt Service:				
Principal	92,424	92,424	92,424	
Interest	54,595	54,595	54,595	
Total debt service	147,019	147,019	147,019	0
Total expenditures	4,163,085	3,534,050	3,555,287	(21,237)



CITY OF VILLE PLATTE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Other Financing Sources (Uses)  
Year Ended June 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Transfers from (to) other funds -				
Utility Fund	\$ 475,000	\$ 230,000	\$ 230,000	
Utility Fund - Payment in lieu of taxes	403,500	455,205	455,205	
1975 Sales Tax Fund	700,000	752,000	752,000	
1984 Sales Tax Fund	100,000			
City Court	(20,000)			
Self-Insurance Fund	24,071	24,076	24,076	
Total other financing sources (uses)	<u>1,682,571</u>	<u>1,461,281</u>	<u>1,461,281</u>	<u>0</u>

**NONMAJOR GOVERNMENTAL FUNDS**

CITY OF VILLE PLATTE, LOUISIANA  
Nonmajor Governmental Funds

Combining Balance Sheet  
June 30, 2006

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
<b>ASSETS</b>				
Cash	\$ 37,672	\$ 3,395		\$ 41,067
Interest-bearing deposits, at cost	88,620	40,690	\$ 393,723	523,033
Due from other governmental units	5,725			5,725
Prepaid items	1,772			1,772
	<u>133,789</u>	<u>44,085</u>	<u>393,723</u>	<u>571,597</u>
Total assets				
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 3,620		\$ 190	\$ 3,810
Contracts payable			13,700	13,700
Accrued liabilities		\$ 670		670
Total liabilities	<u>3,620</u>	<u>670</u>	<u>13,890</u>	<u>18,180</u>
Fund balances:				
Reserved for prepaid items	1,772			1,772
Reserved for debt service		43,415		43,415
Reserved for housing purposes	114,820			114,820
Unreserved, designated for subsequent years' expenditures			379,833	379,833
Unreserved, undesignated	13,577			13,577
Total fund balances	<u>130,169</u>	<u>43,415</u>	<u>379,833</u>	<u>553,417</u>
Total liabilities and fund balances	<u>133,789</u>	<u>44,085</u>	<u>393,723</u>	<u>571,597</u>

CITY OF VILLE PLATTE, LOUISIANA  
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended June 30, 2006

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
Revenues:				
Intergovernmental	\$429,427			\$ 429,427
Fines and forfeits	58,827			58,827
Marshall fees	12,000			12,000
Miscellaneous	1,061	\$ 304	\$ 3,764	5,129
Total revenues	<u>501,315</u>	<u>304</u>	<u>3,764</u>	<u>505,383</u>
Expenditures:				
Current -				
General government	260,013			260,013
Streets and drainage				
Urban redevelopment and housing	400,187			400,187
Capital outlay	1,583		389,435	391,018
Total expenditures	<u>661,783</u>	<u>-</u>	<u>389,435</u>	<u>1,051,218</u>
Excess (deficiency) of revenues over expenditures	(160,468)	304	(385,671)	(545,835)
Other financing sources:				
Transfers in	<u>163,000</u>		<u>250,000</u>	<u>413,000</u>
Excess (deficiency) of revenues and other sources over expenditures	2,532	304	(135,671)	(132,835)
Fund balances, beginning	<u>127,637</u>	<u>43,111</u>	<u>515,504</u>	<u>686,252</u>
Fund balances, ending	<u><u>130,169</u></u>	<u><u>43,415</u></u>	<u><u>379,833</u></u>	<u><u>553,417</u></u>

## NONMAJOR SPECIAL REVENUE FUNDS

### **City Court Fund**

To account for the City's portion of City Court fine income and expenditures paid directly from the City's funds.

### **Section 8 Housing Fund**

To account for the administration of grant funds received from the U.S. Department of Housing and Urban Development to provide rental assistance to qualified low income individuals.

CITY OF VILLE PLATTE, LOUISIANA  
Nonmajor Special Revenue Funds

Combining Balance Sheet  
June 30, 2006

	City Court	Section 8 Housing	Totals
<b>ASSETS</b>			
Cash	\$ 11,472	\$ 26,200	\$ 37,672
Interest-bearing deposits		88,620	88,620
Due from other governmental units	5,725		5,725
Prepaid items	1,772		1,772
Total assets	<u>18,969</u>	<u>114,820</u>	<u>133,789</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts payable	<u>\$ 3,620</u>		<u>\$ 3,620</u>
Fund balances:			
Reserved for prepaid items	1,772		1,772
Reserved for housing purposes		\$ 114,820	114,820
Unreserved - undesignated	13,577		13,577
Total fund balances	<u>15,349</u>	<u>114,820</u>	<u>130,169</u>
Total liabilities and fund balances	<u>18,969</u>	<u>114,820</u>	<u>133,789</u>

CITY OF VILLE PLATTE, LOUISIANA  
Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended June 30, 2006

	City Court	Section 8 Housing	Totals
Revenues:			
Intergovernmental	\$ 38,213	\$ 391,214	\$ 429,427
Fines and forfeits	58,827		58,827
Marshall fees	12,000		12,000
Miscellaneous	265	796	1,061
Total revenues	<u>109,305</u>	<u>392,010</u>	<u>501,315</u>
Expenditures:			
Current -			
General government	260,013		260,013
Urban redevelopment and housing		400,187	400,187
Capital Outlay		1,583	1,583
Total expenditures	<u>260,013</u>	<u>401,770</u>	<u>661,783</u>
Deficiency of revenues over expenditures	(150,708)	(9,760)	(160,468)
Other financing sources:			
Operating transfers in	<u>163,000</u>		<u>163,000</u>
Excess (deficiency) of revenues and other sources over expenditures	12,292	(9,760)	2,532
Fund balances, beginning	<u>3,057</u>	<u>124,580</u>	<u>127,637</u>
Fund balances, ending	<u><u>15,349</u></u>	<u><u>114,820</u></u>	<u><u>130,169</u></u>

## **NONMAJOR CAPITAL PROJECTS FUNDS**

### **1993 Sales Tax Bond Construction Fund**

To account for the financing and construction of sewerage system improvements within the City. Funds were provided through the issuance of \$1,600,000 Public Improvement Sales Tax Bonds, Series ST-1993. These bonds were refunded during the fiscal year ended June 30, 2003.

### **Street and Drainage Construction Fund**

To account for the financing and construction and improving of public streets and drainage facilities. Funds have been provided through the issuance of \$1,500,000 Street and Drainage Bonds, Series 2003.



CITY OF VILLE PLATTE, LOUISIANA  
Nonmajor Capital Project Funds

Combining Balance Sheet  
June 30, 2006

	<u>Street &amp; Drainage Construction</u>	<u>Sales Tax Construction</u>	<u>Totals</u>
<b>ASSETS</b>			
Interest-bearing deposits	<u>\$162,784</u>	<u>\$230,939</u>	<u>\$393,723</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accrued liabilities	\$ 190		\$ 190
Contracts payable	<u>13,700</u>		<u>13,700</u>
Total liabilities	<u>13,890</u>		<u>13,890</u>
Fund balances:			
Unreserved, designated for subsequent years' expenditures	<u>148,894</u>	<u>\$230,939</u>	<u>379,833</u>
Total liabilities and fund balances	<u>162,784</u>	<u>230,939</u>	<u>393,723</u>

CITY OF VILLE PLATTE, LOUISIANA  
Nonmajor Capital Projects Fund

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended June 30, 2006

	Street & Drainage Construction	Sales Tax Construction	Totals
Revenues:			
Miscellaneous - interest	\$ 2,071	\$ 1,693	\$ 3,764
Expenditures:			
Current -			
Streets and drainage			
Capital outlay -			
Construction cost	313,118	19,253	332,371
Engineering and other	57,064		57,064
Total expenditures	370,182	19,253	389,435
Deficiency of revenues over expenditures	(368,111)	(17,560)	(385,671)
Other financing sources:			
Transfers in	250,000		250,000
Deficiency of revenues and other sources over expenditures	(118,111)	(17,560)	(135,671)
Fund balances, beginning	267,005	248,499	515,504
Fund balances, ending	148,894	230,939	379,833

RELATED REPORT

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

To the Mayor and Board Members of the  
City of Ville Platte  
City of Ville Platte, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ville Platte, Louisiana as of and for the year ended June 30, 2006, which collectively comprise the City of Ville Platte, Louisiana's basic financial statements and have issued our report thereon dated December 14, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Ville Platte, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City of Ville Platte's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Current and Prior Year Audit Findings as items 06-5, 06-6, and 06-7.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above to be material weaknesses. We also noted other matters involving the internal control over financial reporting that we have reported to management of the City of Ville Platte in a separate letter dated December 14, 2006.

To the Mayor and Board Members of the  
City of Ville Platte  
Page 2

Compliance

As part of obtaining reasonable assurance about whether the City of Ville Platte, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Questioned Costs as item 06-4. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the City of Ville Platte, Louisiana, in a separate letter dated December 14, 2006.

This report is intended solely for the information and use of management, federal awarding agencies, pass-through entities, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*John S. Dowling & Company*

Opelousas, Louisiana  
December 14, 2006

Chizal S. Fontenot, CPA  
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**JOHN S. DOWLING & COMPANY**  
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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2005

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Mayor and Board Members of the  
City of Ville Platte  
City of Ville Platte, Louisiana

Compliance

We have audited the compliance of the City of Ville Platte, Louisiana, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2006. The City of Ville Platte, Louisiana's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Ville Platte, Louisiana's management. Our responsibility is to express an opinion on the City of Ville Platte, Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Nonprofit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Ville Platte, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Ville Platte, Louisiana's compliance with those requirements.

In our opinion, the City of Ville Platte, Louisiana, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 06-1(c), 06-2(c) and 06-3(c).

To the Mayor and Board Members of the  
City of Ville Platte  
Page 2

Internal Control Over Compliance

The management of the City of Ville Platte, Louisiana, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Ville Platte, Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, federal awarding agencies, pass-through entities, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*John S. Dowling & Company*

Ville Platte, Louisiana  
December 14, 2006

SUPPLEMENTARY INFORMATION



CITY OF VILLE PLATTE, LOUISIANA  
Enterprise Fund  
Utility Fund

Statement of Revenues, Expenses, and Changes in Retained Earnings  
Year Ended June 30, 2006

Operating revenues:	
Charges for services -	
Customer service charges	\$ 4,619,755
Connection and inspection fees	56,405
Miscellaneous	120,725
Total operating revenues	<u>4,796,885</u>
Operating expenses:	
Gas department expenses	2,551,094
Water department expenses	897,825
Sewerage department expenses	612,253
Total operating expenses	<u>4,061,172</u>
Operating income	<u>735,713</u>
Nonoperating revenues (expenses):	
Interest income	9,532
Interest expense	(142,305)
Bad debt recovery	1,659
Paying agents' fees	(625)
Amortization of bond issuance cost	(3,301)
Total nonoperating revenues (expenses)	<u>(135,040)</u>
Income before contributions and transfers	<u>600,673</u>
Capital contributions (FEMA)	<u>15,091</u>
Transfers in (out):	
Transfers in	205,000
Transfers out - Payment in lieu of taxes	(455,205)
Transfers out	(236,000)
Total transfers in (out)	<u>(486,205)</u>
Increase in retained earnings	129,559
Retained earnings, beginning	<u>11,922,096</u>
Retained earnings, ending	<u>12,051,655</u>

(continued)

CITY OF VILLE PLATTE, LOUISIANA  
Enterprise Fund  
Utility Fund

Statement of Revenues, Expenses, and Changes in Retained Earnings (continued)  
Year Ended June 30, 2006

	<u>Gas Department</u>	<u>Water Department</u>	<u>Sewerage Department</u>
Operating revenues:			
Customer service charges	\$2,868,894	\$ 979,915	\$ 770,946
Connection and inspection fees	14,650	25,975	15,780
Miscellaneous	49,044	38,852	32,829
Total operating revenues	<u>2,932,588</u>	<u>1,044,742</u>	<u>819,555</u>
Operating expenses:			
Gas department expenses	2,551,094		
Water department expenses		897,825	
Sewerage department expenses			612,253
Total operating expenses	<u>2,551,094</u>	<u>897,825</u>	<u>612,253</u>
Operating income (loss)	<u>381,494</u>	<u>146,917</u>	<u>207,302</u>

## CITY OF VILLE PLATTE, LOUISIANA

## Enterprise Fund

## Utility Fund

## Departmental Analysis of Operating Expenses

Year Ended June 30, 2006

	Gas Department	Water Department	Sewerage Department	Totals
Salaries	\$ 171,125	\$ 191,146	\$ 93,646	\$ 455,917
Retirement contributions	22,892	23,806	12,996	59,694
Payroll/Medicare taxes	1,516	2,541	748	4,805
Group insurance	32,042	33,654	13,455	79,151
Uniforms	1,457	1,368	1,276	4,101
Insurance	26,296	14,817	7,865	48,978
Workman's compensation insurance	4,818	13,395	5,099	23,312
Natural gas purchased	2,051,403			2,051,403
Chataignier franchise tax	975			975
Dues and conventions	330	248	532	1,110
Equipment repairs and maintenance	29,540	40,774	19,222	89,536
Materials and supplies	15,665	41,215	10,176	67,056
Chemicals		17,678	11,302	28,980
Testing and inspection fees	4,115	8,611	21,427	34,153
Professional fees	16,815	20,746	16,372	53,933
Utilities and telephone	8,783	151,777	109,832	270,392
Rent	15,000			15,000
School training	1,200			1,200
Gas, oil and fuel	7,980	14,322	4,723	27,025
Office supplies and postage	14,728	8,542	9,432	32,702
Depreciation	80,910	299,449	261,883	642,242
Miscellaneous	3,901	2,419	5,548	11,868
Sand, gravel and dirt		3,123	129	3,252
Bad debt expense	24,472	8,194	6,590	39,256
Judgments and fines	161			161
Gas leak survey	14,970			14,970
Total operating expense	<u>2,551,094</u>	<u>897,825</u>	<u>612,253</u>	<u>4,061,172</u>

CITY OF VILLE PLATTE, LOUISIANA  
Enterprise Fund  
Utility Fund

Schedule of Number of Utility Customers  
June 30, 2006

Records maintained by the City indicated the following number of customers were being served during the month of June, 2006:

<u>Department</u>	
Gas (metered)	2,081
Water (metered)	3,104
Sewerage	2,979

CITY OF VILLE PLATTE, LOUISIANA

Combined Schedule of Interest-bearing Deposits - All Funds  
June 30, 2006

	<u>Term</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Major governmental funds:				
General Fund:				
Certificate of deposit - Allstate	30 days	07/31/06	3.78%	\$ 72,846
Certificate of deposit - Citizens Bank	90 days	07/24/06	2.90%	42,358
Interest-bearing checking account - Evangeline Bank	N/A	N/A	Variable	19,514
Interest-bearing checking account - Evangeline Bank	N/A	N/A	Variable	23,163
Interest-bearing checking account - Evangeline Bank	N/A	N/A	Variable	8,440
Interest-bearing checking account - Evangeline Bank	N/A	N/A	Variable	553,246
Interest-bearing checking account - Evangeline Bank	N/A	N/A	Variable	24,564
Savings account - Evangeline Bank	N/A	N/A	1.75%	2,019
Total General Fund				<u>746,150</u>
1975 Sales Tax Fund -				
Certificate of deposit - Guaranty Bank	180 days	07/30/06	3.63%	<u>50,950</u>
1984 Sales Tax Fund -				
Certificate of deposit - Evangeline Bank	180 days	11/05/06	4.00%	224,845
Certificate of deposit - Allstate	30 days	07/31/06	3.78%	48,564
Certificate of deposit - Guaranty Bank	180 days	07/30/06	3.63%	50,950
Interest-bearing checking account - Evangeline Bank	N/A	N/A	Variable	596,221
Interest-bearing checking account - Evangeline Bank	N/A	N/A	Variable	109,857
Total 1984 Sales Tax Fund				<u>1,030,437</u>
P.I. Sales Tax Bonds				
Interest-bearing checking account - Evangeline Bank	N/A	N/A	Variable	450,765
Interest-bearing checking account - Evangeline Bank	N/A	N/A	Variable	759,027
Total P.I. Sales Tax Bonds				<u>1,209,792</u>
Municipal Building Construction Fund -				
Certificate of deposit - Evangeline Bank	180 days	10/13/06	4.00%	92,606
Interest-bearing checking account - Citizens Bank	N/A	N/A	01/02/00	199,112
Total Municipal Building Construction Fund				<u>291,718</u>
Total Major Governmental Funds				<u>3,329,047</u>

(continued)

CITY OF VILLE PLATTE, LOUISIANA

Combined Schedule of Interest-bearing Deposits - All Funds (Continued)  
June 30, 2006

	<u>Term</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Nonmajor governmental funds:				
Section 8 Housing Fund -				
Interest-bearing checking account - Hancock	N/A	N/A	Variable	\$ 88,620
Public Improvement Bond Fund -				
Interest-bearing checking account - Evangeline Bank	N/A	N/A	Variable	40,690
Street and Drainage Construction Fund -				
Interest-bearing checking account - Evangeline Bank	N/A	N/A	Variable	162,784
1993 Sales Tax Bond Construction Fund-				
Interest-bearing checking account - Evangeline Bank	N/A	N/A	Variable	230,939
Total nonmajor governmental funds				<u>523,033</u>
Utility Fund:				
Certificate of deposit - Guaranty Bank	30 days	07/28/06	4.00%	400,000
Interest-bearing checking account - Evangeline Bank	N/A	N/A	Variable	199,462
Interest-bearing checking account - Evangeline Bank	N/A	N/A	Variable	406,225
Certificate of deposit - Citizens Bank	30 days	07/08/06	2.02%	206,908
Interest-bearing checking account - Evangeline Bank	N/A	N/A	Variable	2,955
Total Utility Fund				<u>1,215,550</u>
Total all funds				<u>5,067,630</u>

CITY OF VILLE PLATTE, LOUISIANA  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2006

Part I. Summary of Auditor's Results:

1. An unqualified opinion was issued on the basic financial statements of the City of Ville Platte's primary government.
2. Three reportable conditions in internal control were disclosed by the audit of the financial statements in which none are considered to be a material weakness.
3. No instances of noncompliance material to the financial statements of the City of Ville Platte, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. No reportable condition in internal control over the major federal award program was disclosed during the audit of the financial statements.
5. The auditor's report on compliance for the major federal award program for the City of Ville Platte expresses an unqualified opinion on all major federal programs.
6. The audit disclosed three findings required to be reported under Section 510(a) of Circular A-133.
7. The major program was the U.S. Department of Housing and Urban Development's Section 8 Housing Choice Vouchers Program.
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$500,000.
9. The auditee did not qualify as a low-risk auditee under Section 530 of circular A-133.

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

- A. Compliance Findings –  
There was one compliance finding.
- B. Internal Control Findings –  
See internal control findings 06-5(IC), 06-6(IC), and 06-7(IC) on Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan.

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

- A. Compliance Findings –  
See compliance findings 06-1(c), 06-2(c), and 06-3(c) on Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan.
- B. Internal Control Findings –  
There were no internal control findings to be reported under the above guidance.

CITY OF VILLE PLATTE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan  
Year Ended June 30, 2006

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>CURRENT YEAR (6/30/06) --</u>						
<u>Compliance:</u>						
06-1(C)	2006	The City did not maintain a waiting list or a list of new participants for the Section 8 Housing Choice Vouchers program. We were unable to ascertain if new participants were selected from the waiting list and admitted to the program or provided the opportunity to be admitted to the program in accordance with the City's applicant selection policies and compliance requirements provided by the Department of Housing and Urban Development.	No	A waiting list will be created and followed per the program guidelines.	Rita Jack, Section 8 Project Administrator	Immediately
06-2(C)	2006	Relative to the City's Section 8 Housing Choice Vouchers program tenant files: (1) no documentation of the determination of reasonable rent in accordance with the City's administrative plan, (2) no documentation of the tenant's value of assets owned, (3) several tenant files lacked documentation of the tenant's expenses related to the deductions from annual income, and (4) tenant files did not contain evidence of verification documenting that the City's failed Housing Quality Standards (HQS) inspection repairs were completed.	No	The program administrator will maintain tenant files.	Rita Jack, Section 8 Project Administrator	Immediately
06-3(C)	2006	A bonus was paid to several employees of the City who work with the Section 8 Housing Choice Vouchers program. Article 7 Section 14 of the Louisiana Constitution prohibits public entities from making donations.	No	Bonuses will no longer be paid to employees.	Rita Jack, Section 8 Project Administrator	Immediately
06-4(C)	2006	The City of Ville Platte has a council member who did not abstain from voting on and approving transactions with a certain vendor. The council member is an employee of this vendor and is therefore considered to have an economic interest in this vendor. LA Revised Statute 42:1112 prohibits any public servant from participating in a transaction involving the governmental entity in which he is an employee and has a substantial economic interest.	Partially	Vendor is no longer employed as of January 1, 2007.	Bryan Savant, City Clerk	Immediately
<u>Internal Control:</u>						
06-5(IC)	Unknown	Due to the small number of employees, the City did not have adequate segregation of functions within the accounting system.	No	Duties will be segregated per the recommendation of financial advisor.	Bryan Savant, City Clerk	N/A
06-6(IC)	Unknown	The City of Ville Platte's police department has 14 speed passes, i.e. gas cards, activated which were not properly controlled by the Police Chief. All receipts are not turned in to match with monthly statement and mileage is not being recorded properly thereby leaving no audit trail.	No	Speed pass accounts will be closed and a fuel tank will be placed at the police department.	Bryan Savant, City Clerk	Immediately

(Continued)



**CITY OF VILLE PLATTE, LOUISIANA**

**Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan (Continued)  
Year Ended June 30, 2006**

Ref. No.	Fiscal Year Finding Initially Occurred CURRENT YEAR (6/30/06) --	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
06-7(IC)	Unknown	Relative to the police department: (1) receipts were not available for all revenues collected at the police department and (2) purchasing procedures for purchases greater than \$500 were not followed at all times during the fiscal year.	Partially	The Police Chief will be given another copy of the city's purchasing policy and be required to follow it.	Bryan Savant, City Clerk	Immediately
<b>PRIOR YEAR (6/30/05) --</b>						
<u>Compliance:</u>						
<u>Internal Control:</u>						
05-1(IC)	Unknown	The City of Ville Platte did not have a proper segregation of duties within the organization. One employee collects cash payments from customers, prepares and records billing adjustments to customer accounts, and prepares and records write offs to customer accounts. Another employee of the City prepares accounts payable checks, makes journal entries to the accounting system, and reconciles bank statements.	No	No response is considered necessary.	Bryan Savant, City Clerk	N/A
05-2(IC)	2004	Relative to the City's employee leave policy: (1) leave benefit information should be monitored for accuracy and compared to computer-generated reports to ensure that all employees are receiving the proper amount of benefits, (2) the policy should be modified to specify the amount of leave available to certain police and fire department personnel who do not work on a shift-basis, and (3) management should review and seek professional assistance in interpreting the leave policy included in the City's civil service rules and regulations.	Yes	Not applicable.	Bryan Savant, City Clerk	Immediately
05-3(IC)	Unknown	Relative to the police department: (1) receipts were not available for all revenues collected at the police department, (2) policy was not being followed for charging bond fees and accident report fees, and (3) purchasing procedures for purchases greater than \$500 were not followed at all times during the fiscal year.	Partially	City administration will require that the Police Chief follow City policies in reference to collection of revenues and the City's purchasing policy.	Bryan Savant, City Clerk	Immediately
05-4(IC)	Unknown	The City of Ville Platte's police department has fourteen speed passes, i.e. gas cards, activated which were not properly controlled by the Police Chief. Police officers were filling several cars with gasoline on the same transaction with only one receipt and only one police officer signing the receipt, thereby leaving no audit trail as to which officer or car was involved in the transaction.	Partially	The City will write and approve a gas card policy. The City will verify that the policies are followed.	Bryan Savant, City Clerk	Immediately

CITY OF VILLE PLATTE, LOUISIANA

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2006

Federal Grantor/Pass-Through Grantor/Program Name	CFDA Number	Expenditures
United States Department of Housing and Urban Development - Section 8 Housing Choice Vouchers	14.871	\$ 400,187
Department of Homeland Security - Passed through Louisiana Department of Military Affairs: Disaster Grants - Public Assistance	97.036	58,797
United States Department of Agriculture - Community Facilities Loans and Grants	10.766	55,000
Passed through Louisiana Department of Education: Summer Food Service Program for Children	10.559	44,910
Total		<u>558,894</u>

CITY OF VILLE PLATTE, LOUISIANA

Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2006

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the City of Ville Platte (the City). The City's reporting entity is defined in Note 1 to the basic financial statements for the year ended June 30, 2006. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's financial statements for the year ended June 30, 2006.

CITY OF VILLE PLATTE, LOUISIANA

Enterprise Fund

Utility Fund

(Unaudited)

Schedule of Changes in Assets Restricted For Debt Service  
Year Ended June 30, 2006

	Revenue Bonds				Totals
	Cash With Paying Agent	Bond and Interest Sinking	Reserve	Renewal and Replacement	
Cash and interest-bearing deposits, July 1, 2005		\$ 208,990	\$ 403,190	\$ 203,737	\$ 815,917
Cash receipts:					
Transfers from operating account		533,034			533,034
Transfers from sinking fund	\$ 544,735				544,735
Interest on interest-bearing deposits		2,173	3,035	3,171	8,379
Total cash receipts	544,735	535,207	3,035	3,171	1,086,148
Total cash and interest-bearing deposits available	544,735	744,197	406,225	206,908	1,902,065
Cash disbursements:					
Principal payments	400,000				400,000
Interest payments	144,110				144,110
Paying agents' fees	625				625
Transfer to paying agent		544,735			544,735
Total disbursements	544,735	544,735	-	-	1,089,470
Cash and interest-bearing deposits, June 30, 2006	0	199,462	406,225	206,908	812,595

CITY OF VILLE PLATTE, LOUISIANA

Schedule of Insurance in Force  
(Unaudited)  
June 30, 2006

Description of Coverage	Coverage Amounts
Workmen's compensation - Employer's liability	Statutory
Surety bonds -	
Mayor	\$ 40,000
Mayor Pro-tem	40,000
City Clerk	40,000
Treasurer	40,000
Utility clerks (4)	40,000
Property tax collectors (3)	20,000
Purchasing agent	20,000
Council members (2)	20,000
City Court employees (5)	20,000
Police Department Notary Publics (2)	5,000
Blanket coverage on City property buildings and contents	4,482,216
Comprehensive automobile and physical damage	1,111,162
Commercial general liability	500,000
Errors and omissions liability	500,000
Police professional liability	500,000

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To the Mayor and Board Members of the  
City of Ville Platte  
Ville Platte, Louisiana

We have audited the financial statements of the City of Ville Platte, Louisiana, as of and for the year ended June 30, 2006, and have issued our report thereon dated December 14, 2006. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

As part of our examination, we have issued our report on the financial statements, dated December 14, 2006, and our report on internal control and compliance with laws, regulations, contracts, and grants dated December 14, 2006. This letter does not affect our report dated December 14, 2006 on the financial statements of the City of Ville Platte.

During the course of our examination, we became aware of the following matters which represent immaterial deviations of compliance or suggestions for improved internal control.

Immaterial Deviation of Compliance

2006-8 Deposits Not Fully Collateralized

The City of Ville Platte's bank balances of deposits were under collateralized by \$32,155, as of June 30, 2006. The City of Ville Platte should ensure that its deposits are fully secured at all times.

2006-9 Public Bid Law Not Followed

The City of Ville Platte did not follow the provisions of the public bid law LSA-RS 38:2212. Bids were not obtained for the purchase of police car equipment.

Suggestion for Improved Internal Controls

2006-10 Police Department Employees Not Properly Bonded To Collect Cash

It was noted during the course of our audit that the City of Ville Platte did not have proper fidelity bond insurance for police department employees collecting cash. We recommend that the City of Ville Platte obtain fidelity bond insurance on all employees who collect cash for the City.

To the Mayor and Board Members of the  
City of Ville Platte  
Page 2

2006-11 Absence of Policy or Procedures for the Use of Credit Cards

The City of Ville Platte has no written policy or procedures for the use of credit cards. We recommend that the City prepare and approve a written policy on the use of credit cards and gas cards obtained by the City of Ville Platte in order to ensure appropriate utilization of the card(s).

We will review the status of these comments during our next audit engagement. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended solely for the information and use of the Board of Aldermen of the City of Ville Platte, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

*John S. Douling & Company*

Opelousas, Louisiana  
December 14, 2006



# CITY OF VILLE PLATTE

PHILLIP A. LEMOINE, MAYOR

P.O. BOX 390 \* 126 EAST MAIN STREET

VILLE PLATTE, LA 70586

PHONE: (337) 363-2939 \* FAX: (337) 363-1121

E-MAIL: [villeplatte@hotmail.com](mailto:villeplatte@hotmail.com)

WEBSITE: [www.vpla.com](http://www.vpla.com)

Corrective Action Plan  
December 21, 2006

Louisiana Legislative Auditor  
Baton Rouge, LA 70804

The City of Ville Platte respectfully submits the following  
corrective action plan for the year ended June 30, 2006.

Name and address of independent public accounting firm:  
John S. Dowling & Company, P.O. Box 1549, Opelousas,  
LA 70571-1549.

Audit period: Year ended June 30, 2006

The findings from the 2006 audit report and management  
letter are discussed below. The findings are numbered  
consistently with the numbers assigned in the report.

## FINDINGS- FEDERAL AWARD PROGRAMS AUDIT

### Compliance

#### 2006-1 Waiting List for Section 8 Housing Choice Vouchers Program

Action Taken: A waiting list will be created and followed  
per the program guidelines.

#### 2006-2 Tenant Files of the Section 8 Housing Choice Vouchers Program

Action Taken: The program administrator will maintain  
Tenant Files.

#### 2006-3 Bonus Paid to Employees

Action Taken: Bonuses will no longer be paid to  
employees.

## HOME OF

Cotton Festival and Tournoi Le Festival de la Viande Boucanee'  
Swamp Pop Music Night/Antique Car show Mardi Gras Gumbo Festival

C.J. DARDEAU  
DISTRICT A

CAROL  
ALFRED  
DISTRICT B

JAMES D.  
BORDELON  
DISTRICT C

FREDDIE JACK  
DISTRICT D

EARL  
EDWARD  
DISTRICT E

BILL  
JEANMARD  
DISTRICT F

ERIC  
LAFLEUR  
CITY ATTORNEY

BRYAN SAVANT  
CITY CLERK

ROD LAFLEUR  
DEPUTY CLERK/  
CITY TREASURER

An Equal Opportunity  
Employment



**FINDINGS- FINANCIAL STATEMENT AUDIT****Compliance****2006-4 City Council Member Voting**

Action Taken: Vendor is no longer employed as of January 1, 2007

**Internal Control****2006-5 Segregation of Duties**

Action Taken: Duties will be segregated per the recommendation of financial advisor.

**2006-6 Speed Passes of the City of Ville Platte's Police Department**

Action Taken: Speed pass accounts will be closed and a fuel tank will be placed at the police department.

**2006-7 Receipts and Purchasing Procedures of the Police Department**

Action Taken: The Police Chief will be given another copy of the city's purchasing policy and be required to follow it.

**FINDINGS - MANAGEMENT LETTER****2006-8 Deposits Not Fully Collateralized**

Action Taken: Money will be transferred to a fully collateralized account.

**2006-9 Public Bid Law Not Followed**

Action Taken: The Police Chief was advised of this and he will comply.

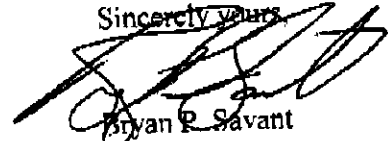
2006-10 Police Department Employees Not Properly  
Bonded to Collect Cash

Action Taken: The police department will no longer collect any cash.

2006-11 Absence of Policy and Procedures for the Use of  
Credit Cards

Action Taken: Credit cards will not be used by any employee without approval of Mayor and/or City Clerk. The City will also adopt a specific policy for credit card use.

Sincerely yours,



Bryan R. Savant  
City Clerk  
City of Ville Platte